

**STATE AUTOMATION SYSTEMS STUDY**

**SITE VISIT: NOVEMBER 30 - DECEMBER 2, 1993**

**CALIFORNIA STATE REPORT**

**DECEMBER 14, 1994**

**FINAL**

**Prepared for:**

**Diana Perez, Project Officer  
Office of Analysis and Evaluation  
Food and Nutrition Service  
3101 Park Center Drive  
Alexandria, VA 22302**

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## TABLE OF CONTENTS

	<u>Page</u>
<b>STATE PROFILE</b> .....	<b>1</b>
<b>1.0 STATE OPERATING ENVIRONMENT</b> .....	<b>2</b>
<b>2.0 FOOD STAMP PROGRAM OPERATIONS</b> .....	<b>3</b>
2.1 Food Stamp Program Participation .....	3
2.2 FSP Benefits Issued Versus FSP Administrative Costs .....	4
2.3 FSP Administrative Costs .....	5
2.4 System Impacts on Program Performance .....	5
2.4.1 Staffing .....	5
2.4.2 Responsiveness to Regulatory Change .....	6
2.4.3 Combined Official Payment Error Rate .....	6
2.4.4 Claims Collection .....	6
2.4.5 Certification/Reviews .....	6
<b>3.0 OVERVIEW OF THE SYSTEM</b> .....	<b>7</b>
3.1 System Functionality .....	7
3.2 Level of Integration/Complexity .....	11
3.3 Workstation/Caseworker Ratio .....	11
3.4 Current Automation Issues .....	11
<b>4.0 SYSTEM DEVELOPMENT AND IMPLEMENTATION</b> .....	<b>13</b>
4.1 Overview of the Current System .....	13

## TABLE OF CONTENTS

	<u>Page</u>
4.2 Justification for the New System . . . . .	13
4.3 Development and Implementation Activities . . . . .	14
4.4 Conversion Approach . . . . .	14
4.5 Project Management . . . . .	15
4.6 FSP Participation . . . . .	16
4.7 MIS Participation . . . . .	16
4.8 Problems Encountered During Development and Implementation . . . . .	16
<b>5.0 TRANSFERABILITY . . . . .</b>	<b>16</b>
<b>6.0 SYSTEM OPERATIONS . . . . .</b>	<b>16</b>
6.1 System Profile . . . . .	17
6.2 Description of Operating Environment . . . . .	17
6.2.1 Operating Environment . . . . .	17
6.2.2 State Operations and Maintenance . . . . .	18
6.2.3 Telecommunications . . . . .	18
6.2.4 System Performance . . . . .	19
6.2.5 System Response . . . . .	19
6.2.6 System Downtime . . . . .	19
6.2.7 Current Activities and Future Plans . . . . .	19
<b>7.0 COST AND COST ALLOCATION . . . . .</b>	<b>19</b>
7.1 SAWS Development Costs and Federal Funding . . . . .	19

## TABLE OF CONTENTS

	<u>Page</u>
7.1.1 SAWS System Components . . . . .	21
7.1.2 SAWS Development Cost Components . . . . .	21
7.1.2.1 Hardware . . . . .	22
7.1.2.2 Contractor Support . . . . .	23
7.1.2.3 State Personnel . . . . .	23
7.2 SAWS Operational Costs . . . . .	24
7.3 California Cost Allocation Methodologies . . . . .	24
7.3.1 Overview of SAWS and ISAWS Cost Allocation Methodology . . . . .	24
7.3.2 County Cost Allocation Methodology . . . . .	25
7.3.2.1 County Cost Allocation Process . . . . .	25
7.3.2.2 State Claim Submission . . . . .	27

## APPENDICES

A	State of California Exhibits . . . . .	A-1
B	Analysis of Managerial User Satisfaction . . . . .	B-1
C	Analysis of Operator User Satisfaction . . . . .	C-1
D	Los Angeles County Automation Systems Study . . . . .	D-1

## LIST OF TABLES

<u>Table No.</u>		<u>Page</u>
2.1	Average Monthly Public Assistance Participation . . . . .	4
2.2	FSP Benefits Issued . . . . .	4
2.3	FSP Federal Administrative Costs . . . . .	5
2.4	Official Combined Error Rate . . . . .	6
2.5	Total Claims Established/Collected . . . . .	6
7.1	SAWS Development Costs . . . . .	20
7.2	SAWS Cost Component . . . . .	22
7.3	SAWS Planning Cost Allocation . . . . .	24
7.4	ISAWS Costs Allocation . . . . .	25

## APPENDIX A - State of California Exhibits

<u>Exhibit No.</u>		
A-2.1	Response to Regulatory Changes . . . . .	A-2
A-6.1	State of California SAWS Hardware Inventory . . . . .	A-4
A-7.1	County Administrative Cost Pools . . . . .	A-5

**CALIFORNIA STATE REPORT**  
**Site Visit November 30 - December 2, 1993**

**STATE PROFILE<sup>1</sup>**

<b>System Name:</b>	Interim Statewide Automated Welfare System (ISAWS)
<b>Start Date:</b>	1992
<b>Completion Date:</b>	1995
<b>Contractor:</b>	Deloitte Touche, Inc.
<b>Transfer From:</b>	Developed within the State
<b>Cost:</b>	
<b>Actual:</b>	Not yet completed
<b>Projected:</b>	\$31.4 million
<b>FSP Share:</b>	\$11.6 million
<b>FSP %:</b>	37%
<b>Number of Users:</b>	Unknown
<b>Basic Architecture:</b>	
<b>Mainframe:</b>	Unisys 2200/932
<b>Workstations:</b>	486-type personal computers (PC) in terminal emulation mode
<b>Telecommunications Network:</b>	New TCP/IP hub/router network connecting each county to the Health Welfare Data Center (HWDC) in Sacramento via one or more 56 KB circuits
<b>System Profile:</b>	
<b>Programs:</b>	Food Stamp, Aid to Families with Dependent Children, Medi-Cal Assistance, Foster Care, County Medical Services Program, Refugee Resettlement Program

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<sup>1</sup> A profile and report describing the Los Angeles County automation systems study is presented in Appendix D.

## 1.0 STATE OPERATING ENVIRONMENT

California administers the Food Stamp Program (FSP) through the California Department of Social Services (CDSS) Food Stamp Program Bureau which is an organizational unit of the Health and Welfare Division. The Food Stamp Program Bureau consists of the Policy Development, Regulation Development and Policy Implementation Units. A total of 24 positions are authorized for this Bureau. The Health and Welfare Division consists of the following organizations:

- Department of Aging
- Department of Social Services
- Department of Health Services
- Office of Statewide Health Planning and Development
- Department of Developmental Services
- Department of Alcohol and Drug Programs
- Employment Development Department
- Department of Rehabilitation
- Department of Mental Health
- Emergency Medical Services Authority
- Health and Welfare Data Center

California's population was 29,839,250 according to the 1990 census. Population distribution is mixed between urban and rural areas with several large metropolitan areas. The geographical diversity and size of the State impact the operations of FSP only in that it points to the need for back-up systems and coupon delivery mechanisms unique to some remote areas.

California is comprised of 58 counties. FSP is county administered and State supervised with individual counties having extensive latitude in the operation of the program within their boundaries.

The level of unemployment in California has generally declined since 1982. Between 1982 (9.9 percent unemployment) and 1990 (5.6 percent unemployment), the unemployment level decreased by over 50 percent. The 1991 unemployment rate was 7.5 percent.

The October 1992 edition of *The Fiscal Survey of States* provides the following information as compiled by the National Association of State Budget Officers:

- California's nominal expenditure growth for fiscal year (FY) 1993 was negative; the national average for expenditure growth was 2.4 percent.
- State government employment levels in California increased by 1.03 percent. This was in contrast to the national average decrease of 0.60 percent.
- California increased revenues by \$607 million for FY 1993, mainly through an increase in the State corporate income tax.

- The regional outlook indicated that California's per capita personal income growth was below the national average and that it had the fourth highest unemployment rate.

## **2.0 FOOD STAMP PROGRAM OPERATIONS**

FSP in California is administered by the individual counties and supervised by the State. FSP currently is supported by local, county level, data processing systems, with a major integrated system development effort underway at the State level. This system development effort is called the Statewide Automated Welfare System (SAWS) and is being directed by the Information Technology Division of CDSS.

An interim Statewide Automated Welfare System (ISAWS) is scheduled to begin operations within the year. The ISAWS project is scheduled to incorporate 14 counties into a centralized network supported by the Health and Welfare Agency Data Center (HWDC). As of June 1, 1994, the ISAWS implementation process began in San Joaquin, Glenn, and Mendocino counties. During the month of June the ISAWS effort began in Kern, Plumas and Lassen counties.

The Statewide Automated Welfare System Branch of the Information Technology Division is charged with the development and implementation of SAWS and ISAWS. Its organizational structure is divided into a Project Administration Bureau which includes administrative, procurement, and approvals sections and a System Support Bureau which includes maintenance, interim system, testing, and technical support sections.

In addition, the Statewide Automated Welfare System Branch receives input, assistance, and staff from other organizations such as the County Automation Advisory Committee, Information Technology Division, and Language Services Bureau. A total of 38.5 State and 43 county staff are currently assigned to this branch.

### **2.1 Food Stamp Program Participation**

Table 2.1 shows FSP household participation and other public assistance (PA) participation for 1992. No other information was available from the State.



**Table 2.1 Average Monthly Public Assistance Participation**

<b>PROGRAM</b>	<b>1992</b>	<b>1991</b>	<b>1990</b>	<b>1989</b>	<b>1988</b>
<b>AFDC</b>					
Cases	882,319	N/A	N/A	N/A	N/A
Individuals	2,537,238	N/A	N/A	N/A	N/A
<b>Foster Care</b>	65,303	N/A	N/A	N/A	N/A
<b>GA</b>					
Cases	172,585	N/A	N/A	N/A	N/A
Individuals	179,920	N/A	N/A	N/A	N/A
<b>FSP</b>					
Households	1,194,176	N/A	N/A	N/A	N/A
Individuals	N/A	N/A	N/A	N/A	N/A
<b>Child Support Enforcement</b>	1,851,493	N/A	N/A	N/A	N/A

## 2.2 FSP Benefits Issued Versus FSP Administrative Costs

The ratio of benefits issued to FSP administrative costs has improved from 5.6:1 in 1988 to 8.2:1 in 1992.

California's average monthly benefit issuance per household over the last five years, as provided in Table 2.2, has fluctuated.<sup>2</sup>

**Table 2.2 FSP Benefits Issued**

	1992	1991	1990	1989	1988
Average Monthly Benefit Per Household	\$153.07	\$187.61	\$180.81	\$99.62	\$101.73

<sup>2</sup> The number of households and benefit amounts use data reported in the FNS *State Activity Reports* for each year.

### 2.3 FSP Administrative Costs

California's FSP administrative costs for the past five years are provided in Table 2.3.<sup>3</sup> The data indicates that total administrative costs increased each year from 1988 to 1992. It also shows that the average cost per household was fairly constant.

**Table 2.3 FSP Federal Administrative Costs**

	1992	1991	1990	1989	1988
Total FSP Federal Admin. Cost	\$215,999,440	\$178,093,012	\$151,112,958	\$138,372,099	\$125,427,275
Avg. Federal Admin. Cost Per Household Per Month	\$18.79	\$18.39	\$18.46	\$18.48	\$18.28

### 2.4 System Impacts on Program Performance

The SAWS and ISAWS projects have not yet reached the implementation/operations phase and have not had either a positive or negative impact on the operations of FSP in the State.

Current systems, however, are primarily batch oriented with system functionality depending upon the system within a specific county. The move to a common eligibility determination system with real time, on-line access to a statewide database for clearance, eligibility, and issuance functions would impact positively upon the State's ability to ensure better quality control methodology and consistency of policy application throughout the State.

#### 2.4.1 Staffing

State staff were unable to provide information on the number or types of staff employed by the various counties in the administration of FSP. This information should be available from reports submitted to the State for administrative cost claiming purposes.

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<sup>3</sup> The number of households and FSP Federal administrative costs are derived from data reported in the FNS *State Activity Reports* for each year.

## 2.4.2 Responsiveness to Regulatory Change

California implemented all but 3 of the 14 regulatory changes listed in Exhibit A-2.1 in Appendix A. The State indicated that the final regulations for these three, 274.2(c)(1), 274.6(b)(2), and 274.7(f), were not received until February 1989, allowing an insufficient amount of time to implement non-emergency regulations. One additional change, 273.9(c)(1)(ii)(F), was not relevant to the State. State level implementation means that instructions were given to the counties as to the change in policy. Actual operational implementation may vary by county.

## 2.4.3 Combined Official Payment Error Rate

California's official combined error rate, as indicated in Table 2.4, has declined slightly since 1988 but has remained very high throughout the five-year period.

**Table 2.4 Official Combined Error Rate**

	1992	1991	1990	1989	1988
Combined Error Rate	10.71	10.36	11.64	11.07	11.75

## 2.4.4 Claims Collection

The amount of claims established and collected, as shown in Table 2.5, has been around 50 percent over the last five years, although in 1992, the rate dropped to 39 percent.

**Table 2.5 Total Claims Established/Collected**

	1992	1991	1990	1989	1988
Total Claims Established	\$30,270,554	\$20,815,365	\$15,977,377	\$14,929,811	\$14,244,489
Total Claims Collected	\$11,848,111	\$9,786,607	\$8,702,472	\$6,850,355	\$7,116,969
As a % of Total Claims Established	39.1%	47.0%	54.5%	45.8%	50.0%

## 2.4.5 Certification/Reviews

California's SAWS and ISAWS projects have not been certified or reviewed by Federal agencies.

### 3.0 OVERVIEW OF THE SYSTEM

This section examines the ISAWS implementation of the transfer system, NAPAS. Information was obtained from State personnel via questionnaires, interviews, and a demonstration of the system while it was still in development. The functionality described below is present in the system that was demonstrated for Orkand or is planned for implementation in ISAWS. The final SAWS may contain additional functionality, user interfaces, and other features.

#### 3.1 System Functionality

- **Registration.** The ISAWS project is designed to encompass 14 counties with different operating environments and operational procedures. All clients complete an application form and may mail it to the designated local welfare office or present the form in person. A clerical person or receptionist will take the form and schedule an interview with an eligibility worker.

The system is designed to follow a model in which basic information is given to a receptionist or clerk, who then enters it into ISAWS and schedules an appointment with an EW. ISAWS also determines the need for expedited service. ISAWS is designed for an interactive interview approach with all counties moving to this methodology after implementation.

The system is designed to capture the following data elements at time of registration: name, partial name, Social Security number (SSN) of each household member, SSN of head of household, gender, date of birth, aliases and alien number.

An automated search is conducted of the client database to determine present or past participation in Aid to Families with Dependent Children (AFDC), FSP, or Medi-Cal. This function is designed to operate at the county level in ISAWS with the statewide client master index search being conducted later on in the process. Clerical staff are required to review potential matches in the participant file to determine if they are to be included in the case file. This two step file search process will be replaced by a single file search process via a new statewide client index currently under development.

The search is conducted for each household member; the entire list of household members and related registration information is saved and becomes part of the application. The proposed ISAWS will have the capability to copy historical records into the current application and automatically schedule appointments with EWs. The EW assignment task will be manually completed by the receptionist, but does utilize some system features to track assignments.

- **Eligibility Determination.** ISAWS is designed to support the interactive interviewing model with relevant data entry screens determined by the system and presented to the EW in sequence. ISAWS will allow presented screens to be by-

passed and provide immediate on-line data edits of both code values and logical errors.

The system's screens will emulate the format and sequence of the paper application forms. The system will also provide "scratch pad" calculator screens for budget projections.

Verifications will be tracked by ISAWS and the EW will have the ability to set future dates by which missing materials should be received. The system will provide on-line outstanding verification reports and status fields to be used in determining the receipt of required documentation.

ISAWS will determine the client's eligibility from data entered by the EW. The EW must determine the persons in the household who comprise relevant assistance units for the various program areas.

- **Benefit Calculation.** ISAWS will automatically calculate the appropriate benefit level which the EW will review and authorize. ISAWS also supports mandated supervisory authorization at the local level. Supervisory authorization may be mandated for all re-applying cases as well as new applicants.
- **Benefit Issuance.** Issuance currently varies from county to county within California. Both over-the-counter (OTC) and direct mail issuances are supported. Direct mail may occur from county offices or contractor sites. Electronic benefit transfer (EBT) is in the planning stage.

ISAWS will provide the issuance centers with automated and paper issuance listings on a scheduled basis.

Information relating to undelivered and stolen coupons and issuance documents may be entered into ISAWS on-line by the designated workers, either EWs or issuance staff. Replacement issuances may be requested by EWs on-line and will be reissued in the next daily issuance process.

ISAWS links the document numbers of original and replacement issuances, provides an on-line display of the entire issuance history and provides information for the preparation of federally required issuance reports. ISAWS also has built-in safeguards that prevent the issuance of benefits until all application data is complete.

Issuance files are created monthly for all on-going cases and daily for new approvals and other special issuances.

The system generates authorization-to-participate (ATP) cards and mailing labels but certified receipts are prepared manually.

- **Notices.** ISAWS supports a full range of system and worker generated notices to clients. Both worker initiated and system generated notices are supported. SAWS issues all legal notices to clients. The system also generates notices whenever case circumstances fall outside of pre-programmed rules. EWs issues all other client letters. EW input to worker generated notices is optional. It is not allowed for system generated notices. Examples of worker generated notices include form letters and free form text notices.
- **Claims System.** The claims sub-system is integrated into ISAWS. Workers may enter data relating to the cause of overpayment or underpayment and whether fraud is suspected. ISAWS can calculate the corrected benefit allotment amount based upon the worker's input as to the eligibility and benefit calculation rules in effect for the period involved. At the time of the on-site interview, ISAWS did not perform automatic recalculation of correct benefit levels for historical time periods unless the proper rules were input for each period in question. Since the visit, retroactive processing was added.

ISAWS tracks the claim status, calculates the monthly recoupment amount (given the above mentioned limitations), and subtracts the recoupment amount from the recipient's monthly benefit amount. At the time of the on-site interviews with California staff, ISAWS had a tendency to over-collect on recoupment accounts. This bug had been noted and was an assigned technical task to be completed before implementation. In the period since the on-site visit, the problem was corrected.

ISAWS automatically generates a notice to the client regarding overpayment or underpayment and creates a collection record once a claim is established. Mandated supervisory approval of claim establishment is supported by the system. The collection method is determined by the EW.

- **Computer Matching.** ISAWS performs immediate on-line matching against the

California maintains a statewide master client index which is checked for duplicate participation at the following points in the case flow:

- On-line at application
- On-line after initial application
- At recertification
- Quarterly
- When new household members are added

The system reports all discrepancies exceeding thresholds determined by the individual counties. The discrepancies are prioritized by data and reported via on-line alert messages to the individual worker. Discrepancies may be reviewed, in detail, on-line and may be deleted by the worker after the discrepancy has been resolved.

ISAWS requires that the worker respond to all discrepancy alerts and those over the maximum time limit for resolution are reported to the worker's supervisor.

California State staff indicated that they believe that most discrepancies are caused by substantive misreporting of household information as opposed to differences in accounting periods or data definitions.

- **Alerts.** ISAWS supports the creation of numerous alerts to caseworkers and supervisors. These include discrepancies reported through Income and Eligibility Verification System (IEVS), interviews scheduled, notices to be sent, redeterminations due, pending applications, and transferred cases. Alerts are ranked in priority by ISAWS and may be deleted from the screen by the worker at any time.
- **Monthly Reporting.** ISAWS is designed to determine the cases subject to monthly reporting requirements, produce the monthly report forms for mailing, and direct the returned forms to the EW. ISAWS also generates warning notices to clients whose reports are late and automatically closes cases if the report form is not received.

The status of the monthly report forms is displayed on-line to the workers.

The receipt of the monthly report forms is entered into ISAWS by clerical workers; however, only EWs may enter changed data into the system.

Incomplete monthly report forms are listed on an on-line special report from which workers may elect to send notices, make telephone calls, etc.

- **Report Generation.** ISAWS generates all required state and federal reports as well as an on-line, daily report showing outstanding work items for each worker. The system does not support the ability to review case data in detail from the report

list. Many other manual and on-line reports are supported by the system. Many of these were present in the transferred NAPAS and others have been developed with the needs of the State's administrative staff in mind.

- ***Program Management and Administration.*** An E-mail function in ISAWS will support complete intra-county communications. The State will utilize the ISAWS bulletin function to disseminate policy and other pertinent information to all system users.

The system, as designed, currently supports a form of on-line problem reporting and task management. It captures text describing the problem and makes it available to system staff for on-line review but does not assign a task number to the report. A separate system is maintained within the system support operation for task management of the change control process.

### **3.2 Level of Integration/Complexity**

The transfer system (NAPAS) was originally developed to operate in a limited number of counties. Because a subsequent decision was made to implement NAPAS statewide, modifications are required to operate the system as a multi-entity configuration serving all of the counties within the State. These modifications, however, were identified prior to the transfer process.

ISAWS supports the major program areas of FSP, AFDC, Foster Care, Refugee Resettlement (RRP), and Medicaid, as well as California-specific health and jobs programs. The design structure calls for a separate database for each county served by the system and extensive interfaces to other statewide systems resident at the State's central processing facility.

The project plan calls for a local network of workstations and printers in each county.

### **3.3 Workstation/Caseworker Ratio**

Plans for the ISAWS network and the conceptual designs of the ISAWS/SAWS implementation indicate that the workstation/caseworker ratio will be 1.25:1.

State staff were unable to provide figures as to the number of caseworkers, clerical staff, supervisors, etc., supporting the various program areas statewide. This problem has been encountered in several county administered States and reflects the role of the State versus that of the county in the operation of these programs.

### **3.4 Current Automation Issues**

The ISAWS project is currently underway and a great deal of effort has been dedicated to the implementation of this 14 county system. Implementation has been broken into



several phases with the initial ISAWS phases being followed by a further refinement of the system (Phase II) and identification of the final SAWS design features.

The major Phase I enhancements for ISAWS relate to print distribution, multi-county control, PCL 5.0 conversion, retroactive processing, TCC, state interfaces, enhanced IEVS/PVS processing, and prototyping SAWS in a Windows environment.

Interfaces between existing county level systems and ISAWS include county specific issuance processes, i.e., cash, food stamps, and Medi-Cal, and county specific non-SAWS case processes, i.e., General Assistance (GA), in-home support services, and special circumstances.

After these identified major changes have been made to ISAWS, the development team will attempt to implement changes and additions to software functionality. These are the Phase II enhancements.

California has identified several potential obstacles in the ISAWS implementation. These include:

- Scheduling of concurrent activities in multiple county sites.
- Planning, scheduling, and assignment of work tasks to county and ISAWS implementation team members as quickly as possible in each county's implementation schedule.
- Coordination of statewide SAWS, ISAWS, and county level changes.
- Support of concurrent software changes in multiple counties.
- Retraining of county staffs as changes are developed and implemented.
- Strict prioritization of the most critical changes because of the limited funding available for software preparation and modification.
- Limited availability of knowledgeable county staff to control ISAWS interfaces to county systems.

State program staff have recognized the challenge facing them in regards to accepting responsibility for program operations and program direction that the implementation of the new system will force upon them, and organizational staffing plans have been made to address this issue.

Another major automation issue is the development of the independent Los Angeles County system (LEADER) development effort and its ultimate integration into the statewide system.

## **4.0 SYSTEM DEVELOPMENT AND IMPLEMENTATION**

This section of the report briefly describes the operations of FSP within California and the planned operations after the implementation of ISAWS/SAWS, and provides a description of the process and approach taken in the development and implementation phases.

### **4.1 Overview of the Previous System**

California is a county administered, State supervised entity. Counties have responsibility for the operation of almost all PA and social service programs within their geographical boundaries. Of 58 counties, approximately 30 have some type of automated systems to support these programs. These systems reflect the size and sophistication of the individual counties and vary from manual to highly automated systems.

Some counties use variations of a software package developed several years ago for one county and then transferred, with modifications unique to each site, to other counties. Most counties rely upon internally developed systems with little or no consistency in hardware platforms, level of integration, or functionality.

The State acts as the supervising authority, setting policy, rules, and direction for the counties. Implementation of the various policies and rules promulgated by the State, or passed from the Federal government to the State and then to the counties, is the responsibility of the county government.

Several statewide databases and a master client index exist. These systems are primarily batch updated and accessed from the local county systems, with some on-line inquiry capability existing. The State has the responsibility to aggregate and process various data generated by the operational level systems in the counties.

### **4.2 Justification for the New System**

California states the ISAWS objectives as follows:

- Address the most pressing current county operational needs until SAWS is installed statewide.
- Test the transfer of SAWS to counties of various sizes, obtain additional knowledge of equipment capacity and needs, and further evaluate costs and benefits.
- Confirm SAWS administrative and program benefits.
- Sustain project momentum and credibility with counties, Federal government, and State government.
- Gain additional experience with the vendor community.

- Provide the vendor community with SAWS experience prior to release of a statewide request for proposals (RFP).

ISAWS is intended to fill the gap between the pilot operations in Napa and Merced counties and the initial implementation of SAWS in the spring of 1995.

Overall justification for the implementation of a statewide system was submitted to the Federal government in a Planning Advanced Planning Document (PAPD), approved by the Food and Nutrition Service (FNS) in February 1993.

#### **4.3 Development and Implementation Activities**

Since the 1984 State authorization to begin pilot system development in Napa and Merced counties, California has overseen and monitored the development activities in each county. The original plan was to offer both systems as transfer candidates to the other California counties with centralized maintenance and support provided by the State.

Because of concerns regarding the State's ability to effectively maintain and support two separate systems, and the limited availability of Federal funding for this approach, a decision was made in late 1991 to suspend SAWS transfer activities and conduct an in-depth evaluation of the alternatives for the statewide implementation of SAWS. This terminated the transfer planning process that began in mid-1991 and resulted in the convening of the SAWS Evaluation Task Force in January 1992.

The Task Force began evaluation activities in February 1992 and issued its final report in January 1993. The conclusion of this report was that the Napa system should be transferred to all California counties (except Los Angeles).

In November 1993 the State issued the ISAWS Project Plan for the interim implementation of SAWS in 14 counties. Federal approval had been received for implementation in only 13 counties as of November 1993.

The ISAWS Master Schedule calls for the first county implementation to begin in January 1994 and for the ISAWS implementation to be completed in all 14 counties by November 1995.

The SAWS Evaluation Report of January 1993 shows the total SAWS project ending in the last quarter of 1998.

#### **4.4 Conversion Approach**

A September 1993 ISAWS conversion planning document outlines four separate conversion options ranging from completely manual to completely automated. Each county will have a separate plan prepared depending upon the degree of automation present at that site. A primary consideration for each county is the conversion of issuance files and a smooth transition from local to ISAWS based issuance.

A download from the State based Medi-Cal Eligibility Data System (MEDS) is possible for all counties, however, additional data elements would have to be added either manually or from the local automated system to complete the minimal ISAWS data element structure.

Each county will be presented with a variety of options relating to the specific conversion methodology, staffing, and resource allocation necessary to complete the conversion process within scheduled limits. Counties appear to have significant flexibility and associated levels of responsibility in determining the specific form the conversion effort will take for that location.

The ISAWS training plan assumes that the counties will ensure that staff are able to use a keyboard, and are familiar with eligibility determination; integrated (generic) processing; and SAWS capabilities (via SAWS demonstrations); and aware of the impact of SAWS on staff roles and responsibilities.

#### **4.5 Project Management**

The ISAWS county implementation project management team consists of State, vendor, and county staff. It is headed by the CDSS branch chief (from the Information Technology Division).

Each site will have an ISAWS Implementation Team Planning Manager, Deloitte Touche, Inc. personnel, University of California at Davis (UCD) training staff, CDSS/ISAWS unit staff, and Unisys staff.

County staff will include a county project manager, an "A" Team, training staff, ISAWS liaisons, a county data processing representative, and a conversion team.

The overall ISAWS implementation project management is the responsibility of the HWDC Project Manager, with oversight from CDSS. The ISAWS Implementation Team and County Implementation Team provide on-site project management within the targeted county.

SAWS project management follows the organization of the SAWS branch of the Information Technology division of the CDSS. This organization includes program oriented State staff, county employees, and administrative personnel, plus a technical component.

HWDC, an organizational unit at the same level as CDSS, provides extensive technical expertise to the program and assumes a high level of responsibility in the development and implementation phases. Vendor personnel from Deloitte Touche, Inc. and Unisys also play a major role within the development and implementation phases. Contracts with UCD provide for the development of the training curriculum and trained instructors.

#### **4.6 FSP Participation**

California's approach to the formation of its project team has been to centralize responsibility within the SAWS branch with internal, program-oriented staff and liaisons to the various program units. User groups were not FSP specific, but did contain individuals with generic program experience.

The NAPAS development effort also involved direct service level staff in the design and development of the base system.

#### **4.7 MIS Participation**

The SAWS/ISAWS project appears to be technically driven by the technical concerns of system integration and telecommunications. The base NAPAS is being modified, not so much as regards functionality issues, but rather for technical concerns related to the implementation, operation, and ongoing maintenance and support aspects of the system.

The SAWS project is being run by the Information Technology Division, with extensive involvement of HWDC.

#### **4.8 Problems Encountered During Development and Implementation**

State staff said that the county operated environment within California made it difficult for program managers and staff to make a more significant contribution to the project's progress. The State did not previously have a good understanding of all the issues involved in a centralized, State-controlled operational environment.

### **5.0 TRANSFERABILITY**

NAPAS, which forms the basis for ISAWS, has already been chosen as a transfer system by Virginia, a State that is in much the same development stage as California. The system supports most of the recent developments in PA eligibility systems and appears to offer room for further development and enhancements in the future.

ISAWS, once implemented, will move NAPAS from a single site orientation to a true State-level system and offer a better transfer candidate than NAPAS. The provision of an individual database for each county, thus ensuring clear lines regarding data ownership and similar issues, may appeal to county operated States, although the related maintainability and support issues have yet to be experienced.

### **6.0 SYSTEMS OPERATIONS**

The following section provides a description of SAWS/ISAWS. The discussion includes a profile of system components and a discussion of the system operating environment.

## 6.1 System Profile (Projected)

- **Mainframe:** Unisys 2200/932  
OSG2200/92X Operating System, MAPPER, COBOL
- **Disk:** Unisys - 58 gigabytes (no model number)
- **Tape:** Unisys drives (no model number)
- **Printers:** Laser - Xerox 9070
- **Front Ends:** Unisys Host LAN Controller
- **Workstations:** 486/DOS PCs
- **Telecommunications:** New statewide TCP/IP network with 56 KB circuits connecting each county hub via routers to Sacramento

## 6.2 Description of Operating Environment

The operating environment consists of several components. This section describes these components, which include the proposed operating environment, maintenance, and telecommunications. Since the system has not yet been implemented, no discussion was possible concerning elements such as system performance, response, and downtime.

### 6.2.1 Operating Environment

California is in the process of implementing the first phase of a two phase project to institute a statewide FSP system for the first time. Currently each county utilizes its own system to process FSP applications and issue food stamp coupons. CDSS is the FSP organization that oversees the program throughout the State, but it has had no practical experience with FSP operations since the counties have always handled that aspect of the process.

Many of the 58 counties have their own processing systems, some are using a system operated by EDS, Inc., and some have a manual process to handle their clients. When the SAWS approach was first accepted in the mid-1980s, two pilot systems, Merced Automated Global Information Control System (MAGIC) and NAPAS were separately developed. Counties reviewed the capabilities of each and selected the one that most met their requirements and provided the most appropriate functionality. In addition, CDSS determined which system would be most conducive to a statewide implementation. NAPAS was selected by California to be the foundation for SAWS in 1992.

A SAWS branch group was formed in 1992 to provide for centralized support and enhancements for SAWS. A plan was formulated to create an interim system (ISAWS) to provide an earlier automation platform for thirteen counties that felt that the initial SAWS rollout timetable was too slow to meet their automation needs. FNS has approved the plan, but California is still waiting for the State Legislature to approve the approach. Due to this delay, the project is approximately six months behind schedule.

Since there is no statewide system in place today, there is no agency or operation in place that supports a hardware/software platform for FSP operations. ISAWS will be run at HWDC under a sole source contract approved by FNS and the Department of Health and Human Services (DHHS). Unisys and Deloitte Touche, Inc. have also been awarded sole-source contracts to provide hardware and software support for ISAWS. The Unisys 2200/932 processor will be installed by the end of 1993 at HWDC with the ISAWS application brought up for testing in early 1994. Production conversion of the initial ISAWS counties will not begin until mid-1994.

There is no uninterruptible power supply (UPS) installed at HWDC and no plans to provide the capability. The fact that there are separate feeds from two different substations is considered sufficient protection from extended power outages.

There is an agreement in place with another data center (Teale) to provide support in case of a major data center outage, but no testing has been accomplished to support application or data migration to Teale, if a disaster were to occur.

### **6.2.2 State Operations and Maintenance**

The HWDC staff consists of approximately 280 personnel covering data center operations, technical (system programming, database support, etc.), network control, help desk, and production control. An additional staff of 38 will be hired to support the Unisys system running ISAWS. Cross-training will be undertaken to allow the current IBM and IBM-compatible staff to learn and support the Unisys system during the testing period in early 1994. The current HWDC installation houses four IBM and IBM-compatible mainframes with 500 MIPS of combined processing power. Since none of the current peripheral equipment is to be used with the ISAWS application, it will not be described in this report.

The data center processes 24 hours a day, 7 days a week. The on-line processing shift runs from 6:00 a.m. to 6:00 p.m., batch processing runs the other 12 hours of the day.

### **6.2.3 Telecommunications**

California plans to implement local area networks (LANs) in each county, using routers and concentrators to handle the transaction volumes. Each county hub will be connected via one or more 56 KB circuits to the HWDC. Host LAN connectors (HLC) will replace front end processors at HWDC to handle the transactions. There is no network in place tying counties to Sacramento for FSP processing today.

#### **6.2.4 System Performance**

There is no system to measure today.

#### **6.2.5 System Response**

There is no system to measure today.

#### **6.2.6 System Downtime**

There is no system to measure today.

#### **6.2.7 Current Activities and Future Plans**

The Unisys processor will be installed by January 1994 and the ISAWS application installed in early 1994. HWDC will use the system to train its personnel and test the modifications made to NAPAS to operate in a multi-county mode.

### **7.0 COST AND COST ALLOCATION**

This section presents cost-related information for NAPAS and MAGIC development costs incurred through December 1992; costs incurred to date for the NAPAS enhancement; SAWS and ISAWS planning expenditures to date; and estimated costs to enhance NAPAS to meet statewide implementation requirements, implement SAWS statewide, and implement ISAWS in 14 counties.

This section also addresses the proposed methodologies for allocating the costs of ISAWS and SAWS and the methodology used to shift AFDC costs to FSP to accommodate the cost of processing FSP cases that also receive PA.

#### **7.1 SAWS Development Costs and Federal Funding**

This section addresses costs associated with implementing a statewide PA system in California. Table 7.1, SAWS Development Costs, summarizes the costs incurred as of 3/25/93 for the development and implementation efforts leading up to SAWS and the estimated costs to develop/implement a PA system for statewide application.<sup>4</sup> The remainder of this section provides the supporting detail for each of these development efforts.

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<sup>4</sup> Excluding development for Los Angeles county.



**Table 7.1. SAWS Development Costs<sup>5</sup> (millions)**

DEVELOPMENT EFFORT	DEVELOPMENT COSTS (Actual (A), Estimated (E))	COSTS INCURRED AS OF 3/25/93	FNS SHARE OF DEVELOPMENT COSTS
NAPAS	\$8.10 (A)	\$8.10	\$2.15
MAGIC	\$10.60 (A)	\$10.60	\$1.76
NAPAS Enhancement	\$4.86 (E)	\$1.46	\$0.35
SAWS	\$372.20 (E)	\$1.15	unavailable
ISAWS	\$31.40 (E)		
<b>TOTAL ESTIMATED DEVELOPMENT</b>	<b>\$427.16</b>	<b>\$21.31</b>	

- **NAPAS.** NAPAS development costs totalled more than \$8.1 million. The FNS share was \$2.3 million; the FNS Federal financial participation (FFP) rate was 50 percent. FNS originally approved NAPAS development at \$5.3 million. NAPAS was conceived as one of two pilot development efforts designed to produce a viable automated PA system. At the end of the development period, each of the two systems was to be made available for transfer to the remaining California counties to support their PA automation requirements.

Development began in March 1989; county implementation was officially complete in December 1992. In mid-1992 California reevaluated its decision to maintain county based systems in favor of a single statewide, State maintained, system for application throughout California. In July 1992, NAPAS was selected as the core system that would be modified and adapted for statewide implementation.

- **MAGIC.** As of the writing of this report, MAGIC development costs totalled \$11.6 million; the FNS share was \$1.77 million, or 16.6 percent. FNS FFP was 50 percent. Original FNS approval was \$11.1 million. MAGIC was the other pilot development effort to produce a PA system for county transfer.
- **NAPAS Enhancement.** The estimated development cost to upgrade NAPAS for statewide implementation totals \$4.32 million. The FNS share of these estimated costs is \$345,587. The NAPAS enhancement effort was scheduled to begin in April 1993 and continue through FY 1995. The cost of NAPAS enhancements incurred through November 1993 is \$1.46 million.

<sup>5</sup> Operations and maintenance costs were not included in the estimated cost fields. No breakout of ADP development costs was requested.

The scheduled NAPAS enhancements should be completed prior to the release of an Implementation Services RFP to support SAWS statewide implementation. These enhancements were characterized as essential to positioning NAPAS for SAWS rollout into a multi-county setting, necessary to support California's effort to implement NAPAS in a select number of counties prior to statewide rollout, and critical for defining the specifications in the Implementation Services RFP more precisely and increasing the open competitiveness of the procurement.

- **SAWS.** The estimated five-year cost to develop, maintain, and operate SAWS is \$711.8 million; development costs are estimated at \$372.2 million and maintenance and operations are estimated at approximately \$80 million per year.<sup>6</sup>

A SAWS PAPD was submitted to FNS for approval in April 1993. Estimated planning costs are \$12 million. FNS has approved a 37 percent share of these costs, or \$4.4 million. FNS FFP has been requested at 63 percent, or \$2.8 million. As of September 1993, \$1.14 million in SAWS planning costs have been incurred. The planning phase is scheduled to end in April 1995. The SAWS Implementation Advanced Planning Document (IAPD) is scheduled to be completed within eight months of PAPD approval.

SAWS planning costs are currently being reported on the SF-269 in the *63% Dev* column. All other SAWS costs are being reported in the *Admin* column. Effective April 1, 1994, enhanced funding has been eliminated.

- **ISAWS.** ISAWS is an effort to implement the pre-enhancement NAPAS in 14 counties by November 1995. The ISAWS IAPD was submitted for Federal approval in July 1993. The Federal funding agencies have granted approval for ISAWS implementation in 13 counties thus far. CDSS is awaiting State approval. The ISAWS IAPD was submitted for approval in July 1993. The estimated ISAWS development costs through FY 1995 are \$31.4 million. Ongoing ISAWS operating costs through FY 1999 are estimated to be \$36.3 million.<sup>7</sup> The costs incurred to date are included as part of SAWS costs.

#### 7.1.1 SAWS System Components

SAWS will provide statewide support to AFDC, FSP, Medi-Cal, CMSP, Foster Care, and RRP.

#### 7.1.2 SAWS Cost Components

Table 7.2, SAWS Cost Components, lists costs for the following selected components: hardware, contractor support, and CDSS State personnel for the NAPAS Enhancement,

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<sup>6</sup> SAWS Evaluation Plan.

<sup>7</sup>SAWS, Interim Systems Revised Special Project Report, August 1993.

SAWS planning, and ISAWS.<sup>8</sup> Estimated development and implementation (D&I) costs should be incurred on a one-time basis; estimated operations and maintenance (O&M) costs should be ongoing. The timeframes for these estimates are also provided. Additional information applicable to each of these cost components is provided below.

**Table 7.2 SAWS Cost Components (millions)**

SAWS COST	NAPAS ENHANCEMENT <sup>9</sup> (4/93-6/95)	SAWS PLANNING <sup>10</sup> (Through 5/95)	ISAWS <sup>11</sup> (Start FY 1993-1999)
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### 7.1.2.2 Contractor Support

Estimated contractor support costs for the NAPAS enhancement, SAWS, and ISAWS are presented below:

- **NAPAS Enhancement.** Deloitte Touche, Inc. has been contracted to support the enhancement effort. The contract amount is \$4.32 million as discussed in Section 7.1, under NAPAS Enhancement.
- **SAWS Planning.** The SAWS planning budget does not specifically include a line item for contractor support.
- **ISAWS.** Estimated contractor support for ISAWS development is \$2.91 million. Of this amount, \$300,000 is earmarked for Unisys technical support; \$2.61 million is slated for *consulting services*. Unisys technical support for ISAWS operations through FY 1999 is estimated to be \$900,000.

### 7.1.2.3 State Personnel

Estimated State personnel support costs for the NAPAS enhancement, SAWS, and ISAWS are presented below:

- **NAPAS Enhancement.** Personnel support to the NAPAS enhancement development effort is estimated to be \$442,320. Of this amount, \$387,249, or 87.5 percent, is to be provided by the State; the remaining \$55,071, or 12.5 percent, is to be provided by the county.

For the ongoing maintenance and operations of the NAPAS Enhancement, the estimated personnel costs total \$5.5 million. Of that amount, State personnel costs are estimated to be \$4.24 million, or 77 percent; county personnel costs account for the remaining \$1.2 million, or 23 percent.

- **SAWS Planning.** Personnel costs for SAWS planning is estimated at \$9.25 million. Of this amount, \$5.33 million is earmarked for SAWS staff; an additional \$1.19 million is earmarked for CDSS staff; and \$2.73 million is estimated for project management and work group personnel costs.
- **ISAWS.** ISAWS costs for CDSS and county staff support for development and implementation are estimated to be \$2.07 million. An estimated \$3.54 million in additional costs for personnel in the State's HWDC are included in the ISAWS development and implementation budget.

Ongoing personnel costs for CDSS personnel are not anticipated. However, HWDC personnel support costs for the designated period are estimated to be \$13.14 million.

## 7.2 SAWS Operational Costs

Since SAWS is not an operational system, operational costs are not available.

## 7.3 California Cost Allocation Methodologies

This section addresses the proposed allocation percentages to be applied to SAWS planning and ISAWS costs. It also covers the State-developed methodology for allocating county administrative, operating, and electronic data processing (EDP) costs to Federal programs, and the methodology used to reallocate AFDC and RRP costs to FSP.

### 7.3.1 Overview of SAWS and ISAWS Cost Allocation Methodologies

Table 7.3, SAWS Planning Costs Allocation, presents the approved plan for allocating SAWS planning costs among the programs supported. The basis for allocating almost \$8 million in county planning costs was the average monthly duplicated case counts for 1991. State planning costs of more than \$4 million have been allocated based on time studies. The cost allocation plan for SAWS development is not available.

Table 7.4, ISAWS Costs Allocation, presents a proposed plan for allocating both ISAWS development costs and the ongoing operations and maintenance costs.<sup>12</sup> The development costs allocation was computed according to Federal guidance. The allocation of recurring costs has not been formally developed; however, a methodology based on March 1993 worker time studies has been proposed and is presented in the table.

**Table 7.3 SAWS Planning Costs Allocation<sup>13</sup>**

PROGRAM	ALLOCATION PERCENTAGE	ALLOCATED SHARE (millions)	FEDERAL SHARE (millions)
AFDC	37.00%	\$4.44	\$2.22
FSP	37.00%	\$4.44	\$2.80
Medi-Cal	22.00%	\$2.64	\$1.30
CMSP	1.13%	\$0.14	0.00
Foster Care	2.54%	\$0.30	\$0.15
RRP	0.33%	\$0.04	\$0.04
Total	100%	\$12.00	\$6.51

<sup>12</sup> Cost Allocation Plan Interim System, Appendix D.

<sup>13</sup> SAWS PAPD CAP.

**Table 7.4 ISAWS Costs Allocation**

	ONE TIME DEVELOPMENT		RECURRING OPERATIONS AND MAINTENANCE	
PROGRAM	ALLOCATION PERCENTAGE	ALLOCATED SHARE	ALLOCATION PERCENTAGE	ALLOCATED SHARE
AFDC	37%	\$11.6	47.91%	\$17.4
FSP	37%	\$11.6	16.00%	\$5.8
Medi-Cal	22%	\$6.9	28.04%	\$10.2
CMSP/Foster Care/RRP	4%	\$1.3	8.05%	\$2.9
Total	100%	\$31.4	100%	\$36.3

### **7.3.2 County Costs Allocation Methodology**

This section describes the methodologies and processes used in the counties to allocate costs to the Federal programs and report those costs to the appropriate State agency. It further addresses the State process for compiling the county submitted program costs to support the Federal claims process.

#### **7.3.2.1 County Cost Allocation Process**

Each county accumulates administrative costs and allocates those costs to programs consistent with the direction provided in the *California County Welfare Department (CWD) Cost Allocation Plan (CAP) for Claiming Administrative Expenditures*. This plan provides each county with the means for determining the administrative costs applicable to each welfare program. The CAP uses time reported by designated staff as the basis for distributing the majority of administrative costs among the four welfare functions: eligibility, employment services, social services, and welfare fraud.

The primary basis for distributing costs is the individual caseworker time studies conducted within the four welfare functions. County employees assigned to each of these functions participate in the time study process each calendar quarter. Two types of time studies are conducted: random moment time study following State-defined procedures and staff time studies in which time spent on particular tasks is recorded on an ongoing basis.

At the end of each quarter, time study summaries are compiled for each of the four welfare functions. Ratios are then developed for each function to distribute allocable welfare department administrative costs between the four functions.

Following that, clerical and administrative support staff time is summarized into three areas: generic, function, and direct-to-program.<sup>14</sup> Ratios are used to distribute the clerical and administrative salaries into each of these three areas. Lastly, based on the EDP and staff development time study hours, ratios are developed to distribute EDP and staff development costs to the benefitting programs.

The costs to be allocated are first accumulated into six cost pools. These cost pools, the types of costs accumulated into each pool, and the basis for allocating the costs in each of the six pools among the welfare programs are presented in Exhibit A-7.1 in Appendix A, County Administrative Cost Pools.

After the quarterly allocation is completed by the county and all costs associated with a welfare program have been totalled, program costs are processed through a series of computations to arrive at the proper Federal, State, and county share of cost for each program.

In addition, a Public Assistance Food Stamp (PAFS) shift is calculated to adjust Title IV-A (AFDC) and RRP funding for PA cases to reflect the FSP costs associated with these cases. The costs associated with PAFS activities which have been reported against AFDC and RRP must be identified and claimed to FSP. Based on a special one-month time study conducted annually, a rate is established which identifies the incremental costs of the PAFS Program. This annual rate is reviewed and approved by DHHS and USDA. The Federal share of the PAFS costs is reimbursed by the USDA.

For the Federal fiscal quarter ending September 3, 1993, the PAFS percentage adjustment for Los Angeles County was 26.08 percent. The dollar amount shifted from AFDC and RRP to the FSP totalled \$5,454,674, calculated as follows:

- Of the \$20,811,195 Federal share accumulated for program *AFDC-FG-U*, \$5,427,560 was transferred to FSP.
- Of the \$99,766 Federal share accumulated for program *RRP-AFDC*, \$13,009 was transferred to the FSP.
- Of the \$90,954 Federal share accumulated for program *AFDC - APDP Control*, \$23,721 was transferred to FSP.

The county then completes a county claims form in accordance with State direction. This form is used to report the Federal, State, and county costs accumulated and/or adjusted for each of the welfare programs supported by that county. These claims are submitted 30 days after the end of the quarter.

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<sup>14</sup> A generic cost is one that can not be identified to a specific function.

### **7.3.2.2      State Claim Submission**

The claim forms submitted by each county are reviewed and audited in Sacramento. Each claim is submitted to the Fiscal Policy Group; from there, the claims are submitted for audit and then input into an automated system. This system generates the *County Admin Claims Report*. This report summarizes all county costs on a funding page. The funding page specifies the payment to be made to each county. It also shows the charges to be claimed by each of the Federal reporting units.



**APPENDIX A**

**STATE OF CALIFORNIA**

**EXHIBITS**

**THE ORKAND CORPORATION**

**Exhibit A-2.1**  
**Response to Regulatory Changes**

Code	Regulation	Provision	Federally Required Implementation Date	Implemented on Time (Y/N)?	Computer Programming Changes Required (Y/N)?	Changes to State Policy/ Legislation Required (Y/N)?
1.1	1: Mickey Leland Memorial Domestic Hunger Relief Act	1: Excludes as income State or local GA payments to HHS provided as vendor payments. 273.9(c)(1)(ii)(F)	8/1/91	N/A	N/A	N/A
1.2	1: Mickey Leland Memorial Domestic Hunger Relief Act	2: Excludes from income annual school clothing allowance however paid. 273.9(c)(5)(i)(F)	8/1/91	Y	N	N
1.3	1: Mickey Leland Memorial Domestic Hunger Relief Act	3: Excludes as resource for Food Stamp purposes, household resources exempt by Public Assistance (PA) and SSI in mixed household. 273.8(e)(17)	2/1/92*	Y	N	N
1.4	1: Mickey Leland Memorial Domestic Hunger Relief Act	4: State agency shall use a standard estimate of shelter expense for households with homeless members. 273.9(d)(5)(i)	2/1/92*	Y	N	Y
2.1	2: Administrative Improvement & Simplification Provisions of the Hunger Prevention Act	1: Extended resource exclusion of farm property and vehicles. 273.8(e)(5),etc.	7/1/89	Y	N	Y
2.2	2: Administrative Improvement & Simplification Provisions of the Hunger Prevention Act	2: Combined initial allotment under normal time frames. 274.2(b)(2)	1/1/90	Y	N	Y
2.3	2: Administrative Improvement & Simplification Provisions of the Hunger Prevention Act	3: Combined initial allotment under expedited service time frames. 274.2(b)(3)	1/1/90	Y	N	Y

**Exhibit A-2.1**  
**Response to Regulatory Changes**

Code	Regulation	Provision	Federally Required Implementation Date	Implemented on Time (Y/N)?	Computer Programming Changes Required (Y/N)?	Changes to State Policy/ Legislation Required (Y/N)?
3.1	3: Disaster Assistance Act & Non-Discretionary Provisions of the Hunger Prevention Act	1: Exclusion of job stream migrant vendor payments. 273.9(c)(1)(ii)	9/1/88	Y	N	N
3.2	3: Disaster Assistance Act & Non-Discretionary Provisions of the Hunger Prevention Act	2: Exclusion of advance earned income tax credit payments. 273.9(c)(14)	1/1/89*	Y	N	Y
3.3	3: Disaster Assistance Act & Non-Discretionary Provisions of the Hunger Prevention Act	3: Increase dependent care deductions. 273.9(f)(4), etc.	10/1/88	Y	N	N
3.4	3: Disaster Assistance Act & Non-Discretionary Provisions of the Hunger Prevention Act	4: Eliminate migrant initial month proration. 273.10(a)(1)(ii)	9/1/88	Y	N	N
4.1	4: Issuance	1: Mail issuance must be staggered over at least ten days. 274.2(c)(1)	4/1/89	N	N	N
4.2	4: Issuance	2: Limitation on the number of replacement issuances. 274.6(b)(2)	10/1/89	N	N	N
4.3	4: Issuance	3: Destruction of unusable coupons within 30 days. 274.7(f)	4/1/89	N	N	N

\* These dates were changed after the State completed this form and the site visit took place; the responses to these particular regulatory changes therefore may be inaccurate.

**Exhibit A-6.1**  
**State of California**  
**SAWS Hardware Inventory**

<b>Component</b>	<b>Make</b>	<b>Acquisition Method</b>	<b>Number/ Features</b>
<b>CPU</b>			
2200/932	Unisys	Purchase	
<b>DISK</b>			
	Unisys	Purchase	58 gigabytes
<b>TAPE</b>			
	Unisys	Purchase	Reel Tape Drives (16)
<b>PRINTERS</b>			
9790	Xerox	Purchase	Laser (1)
	Xerox	Purchase	Impact
<b>FRONT ENDS</b>			
	Unisys	Purchase	Host LAN controllers (2)
<b>REMOTE EQUIPMENT</b>			
		Purchase	Unknown number of intelligent units used as terminals

### Exhibit A-7.1 County Administrative Cost Pools

COST POOL	COSTS ACCUMULATED	ALLOCATION BASIS
Allocatable Casework	Salaries and benefits paid to caseworkers and their first-line supervisors.	Costs reported for each of the four functions are allocated to the programs within each function based on the caseworker time study hours, or observations, reported for each program.
Allocatable Support Staff	Salaries and benefits paid to employees performing clerical and administrative support activities.	Costs reported as <i>generic</i> and to each of the four functions are allocated based on the caseworker time study hours, or observations, reported for each program. Costs reported direct-to-program are reported directly to the appropriate program.
Allocatable Support Operations	Welfare department administrative costs which typically have a department-wide benefit to all program operated by the County Welfare Department.	Distributed to the four functions based on a ratio of the total caseworker hours, or observations, by function. Each function's proportionate share of allocable support operating costs is further allocated to the programs within each function based on the caseworker time study hours, or observations, reported for each program.
EDP	Costs associated with the development, implementation, and maintenance and operations of EDP systems used in the administration of PA programs. Costs include salaries and benefits of CWD staff assigned to the EDP organizational unit, including support staff, as well as the prorated salary and benefits of CWD non-EDP staff who are temporarily or intermittently assigned to work on an EDP development project. Costs directly associated with operating an EDP system—equipment, supplies, software, and vendor-related services.	<p>Maintenance and Operations Allocation: Individual caseworker study hours, or observations, of the four functions. M&amp;O costs are first identified to the benefiting function directly or, if generic in nature, allocated based on a ratio determined by the quarterly total of active cases on the system by function. After assignment to the function, the M&amp;O costs are allocated to the benefitting programs using ratios developed from caseworker hours or observations.</p> <p>EDP Development cost allocation is made based on the Cost Allocation Plan approved for each development project.</p>
Allocatable Staff Development	Costs associated with the operations of the staff development office and the provision of welfare department staff training, including: salaries and benefits of staff assigned to the staff development offices; salaries and benefits of support staff; all operating costs of the staff development office including supplies, travel, equipment, and space; cost of outside training classes; costs determined by Federally-approved indirect cost rates of educational institutions; teaching materials and equipment; trainee costs for salaries, benefits, travel, per diem; and education costs which meet accepted criteria.	Staff development trainers, their first-line supervisors, and non-supervisory staff development administrators are required to time study. Time is separately identified to each program in each of the functions, and generic staff development. At the end of the quarter, the trainers' salaries and benefits and the operating costs of the staff development office are allocated to either the program, function, or generic category, based on the trainers' time studies. All staff development purchased services, out-service training costs, and trainees' direct costs are directly identified to the appropriate program function, or generic category. After the generic costs are distributed to each of the four functions based on the caseworker function ratios, function costs are distributed to the appropriate programs based on the functional caseworker time study hours.
Direct Costs	All costs directly identifiable to specific programs.	Not allocated.

## **APPENDIX B**

### **STATE OF CALIFORNIA**

#### **ANALYSIS OF OPERATOR USER SATISFACTION SURVEYS**

(This appendix was not compiled for the State of California since there is no central system.)

## **APPENDIX C**

### **STATE OF CALIFORNIA**

#### **ANALYSIS OF MANAGERIAL USER SATISFACTION SURVEYS**

(This appendix was not compiled for the State of California since there is no central system.)

**APPENDIX D**

**STATE OF CALIFORNIA**

**LOS ANGELES COUNTY AUTOMATION SYSTEMS STUDY**



## **CALIFORNIA - LOS ANGELES COUNTY REPORT**

**Site Visit December 6-8, 1993**

### **COUNTY PROFILE**

**System Name:** Los Angeles Eligibility, Automated Determination, Evaluation and Reporting System (LEADER)

**Start Date:** 1992

**Completion Date:** 1998

**Contractor:** Not yet determined

**Transfer From:** Not yet determined

**Cost:**

**Actual:** Not yet determined

**Projected:** Withheld based on pending RFP release

**FSP Share:** To be determined in IAPD-U

**FSP %:** To be determined in IAPD-U

**Number of Users:** 11,000

**Basic Architecture:**

**Mainframe:** Pending RFP

**Workstations:** Pending RFP

**Telecommunications**

**Network:** To be determined

**System Profile:**

**Programs:** Food Stamp, Aid to Families with Dependent Children, Medi-Cal, General Relief

## **1.0 STATE OPERATING ENVIRONMENT**

Los Angeles (LA) County is the largest metropolitan area within California and the only county not committed to participate in the Statewide Automated Welfare System (SAWS) implementation effort.

The Department of Public Social Services (DPSS) is the agency responsible for the administration of public assistance (PA) programs within Los Angeles County. All programs are administered under the direction of the California Department of Social Services (CDSS) and the California Department of Health Services (CDHS).

Los Angeles operates 33 direct service offices in 30 districts within the county limits.

The major factors cited by county staff as having an impact upon the operations of PA programs in general, and the Food Stamp Program (FSP) in particular, include regulatory changes, changes in State requirements, fiscal changes, increases in unemployment, influx of foreign language speaking recipients, staff hiring freezes, and staff turnover.

The Los Angeles/Southern California area has experienced a recent increase in unemployment due to cutbacks in defense spending and several FSP emergency situations within the last few years.

Los Angeles County staff report that the average monthly caseload per eligibility worker has increased during the past five years as has the size of case backlogs. Caseworker staffing size has also increased over this period. Staff quoted figures showing an increase of 106 percent in the number of persons aided over the past 9 years, compared to a staffing increase of 14.5 percent over the same period.

The Planning Advanced Planning Document (PAPD) claims a benefit level of \$704,689,074 and an ongoing caseload of 915,047 in 1992. These figures represent approximately 40 percent of the total welfare caseload of the State.

## **2.0 FOOD STAMP PROGRAM OPERATIONS**

The Food Stamp Planning and Development Unit is a part of the Program Planning and Development Division of the Bureau of Assistance Programs (BAP). BAP is one of three bureaus within the Los Angeles County DPSS. BAP consists of Divisions I, II, III, and IV and the Program Planning and Development Division. The numbered divisions are responsible for the operations of the direct service offices.

The Bureau of Administrative Services (BAS) provides administrative and computer systems support to all PA programs. It is comprised of six divisions: Governmental Relations, Los Angeles Eligibility Automation Determination Evaluation and Reporting (LEADER), Budget and Management Services, Finance, Personnel, and Computer Services.

The LEADER Division is responsible for managing the proposed LEADER project. Current system support is provided by the Computer Services Division.

The Bureau of Special Operations (BSO) provides some administrative support to FSP (Appeals and State Hearings, Management Information and Evaluation, Welfare Fraud Prevention and Investigation) and operates Adult Services, GAIN, and other programs.

Three major computer systems currently support PA programs. The Case Data Management System (CDMS) is a benefit payment and authorization system used for automated case budgeting of the Medi-Cal Only, General Relief (GR), and Adult Refugee/Entrant Programs. The Integrated Benefit Payment System (IBPS) is a benefit authorization and issuance computer system used for the AFDC, cash-based Medi-Cal, Food Stamp, and Family Refugee/Entrant Programs. The Welfare Case Management Information System (WCMIS) is an automated central index of case and individual data which automatically assigns and reactivates case numbers. It is primarily updated through IBPS and CDMS.

Other systems supporting FSP include:

- The Workflow Information System for District Operational Management (WISDOM) is a microcomputer based system that provides automated application and case movement controls.
- The Computerized Appeals and State Hearings (CASH) System tracks cases through the fair hearing process.
- The Food Stamp Fiscal Services (FSFS) System is a claims determination system.
- The Los Angeles County Food Stamp Automated Issuance and Recording System (LA FAIR) is an automated on-line issuance system for FSP benefits.

Other State level interface systems support other PA programs.

- The statewide Medi-Cal Eligibility Data System (MEDS) is used for the issuance of Medi-Cal cards and eligibility maintenance.
- The Central Data Base (CDB) is used for the detection of fraud, quality control sampling, and statewide applicant/recipient clearance.
- The Income and Eligibility Verification System (IEVS) is used for computer matching purposes. Interface to the Systematic Alien Verification for Entitlement (SAVE) System is obtained through IEVS.

Interfaces also exist to the county District Attorney's office for Child Support Enforcement reporting.

## 2.1 Food Stamp Program Participation

LA County has experienced a large increase in most PA programs from 1990 through 1993. FSP clients increased 102.8 percent from May 1988 to May 1993. Data for the most recent month available, September 1993, shows the percentage increase to be even higher, almost 130 percent. Tables 2.1 shows the specific figures for each year.

**Table 2.1 Average Monthly Public Assistance Participation<sup>15</sup>**

PROGRAM	1993	1992	1991	1990	1989	1988
<b>AFDC/FG</b> Individuals	651,670	620,454	570,779	513,821	480,832	481,499
<b>AFDC/U</b> Individuals	154,553	125,506	106,030	87,563	66,205	71,232
<b>Foster Care</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>GA</b> Individuals	105,510	88,910	59,180	49,552	46,203	40,125
<b>FSP</b> Individuals	155,459	119,187	98,451	82,822	76,902	76,640
<b>Medi-Cal</b> Cases Aided	292,334	224,579	162,517	123,366	95,400	88,935

## 2.2 FSP Benefits Issued Versus FSP Administrative Costs

N/A

## 2.3 FSP Administrative Costs

N/A

## 2.4 System Impacts on Program Performance

The LA LEADER project is still in the planning stage and no system has yet been implemented. Current systems have been operational for some time and are primarily batch updated and mainframe based, with some microcomputer systems having been developed to aid in the operational and management functions. LA County staff believe that the development of a modern, integrated system will allow it to keep pace with the increase in caseload growth, resulting in more efficient handling of ongoing and newly applying recipients.

<sup>15</sup> All data is from the Los Angeles County *Department of Public Social Services Statistical Report*, September 1993.

#### **2.4.1 Staffing**

The PAPD submitted by Los Angeles County to various Federal agencies in September 1993 cites an average figure for the first quarter of 1992 of 9,282 full-time employees involved in the administration of the AFDC, Food Stamp, Medi-Cal, Refugee Resettlement Program (RRP), General Relief (GR), In-Home Supportive Services, Special Circumstances, Repatriate, and GAIN Programs.

Caseworker staffing levels are not expected to be reduced as a result of the new system development effort.

#### **2.4.2 Responsiveness to Regulatory Change**

Los Angeles County implements Federal regulations only upon State instructions. LA County staff believe that all applicable regulations have been implemented within the timeframes set by the State.

#### **2.4.3 Combined Official Payment Error Rate**

N/A

#### **2.4.4 Claims Collection**

N/A

#### **2.4.5 Certification/Reviews**

This data was unavailable at the time of the on-site interviews in Los Angeles County.

### **3.0 OVERVIEW OF THE SYSTEM**

This section shows the functionality desired in the proposed system. References will be made to the operations of the current systems supporting the PA programs as applicable. Data was obtained from the County of Los Angeles' Advance Planning Document (APD) dated November 5, 1993 and from interviews with county staff.

#### **3.1 System Functionality**

- **Registration.** LEADER registration will consist of data captured for the head of household only. A name clearance will be performed to see if that individual is currently receiving benefits within LA County and a geographical mapping feature will determine if the individual is applying at the correct office location. Clerical staff will collect information on the type of aid requested and if expedited service is warranted. Application forms will be generated by the system at this point and signed by the applicant.

An "Application Evaluation" stage is also planned. In this phase of the application process, further identifying information is collected for every household member and general household situation information is collected and reviewed to determine the applicant's "apparent" eligibility and identify previously undetected emergency situations. The evaluation may be conducted in a district office's interview booth, or via a group review of the intake packet.

A determination of program specific eligibility is made after data has been collected for each of the above areas. An intake interview may be scheduled at this point, if applicable, or, if the applicant has been found ineligible, the worker will discuss the options available to the client. This could include cancellation or withdrawal of the application or continuing with the intake process.

- ***Eligibility Determination.*** All data collected during the clearance and evaluation stages are saved within the system for use in the intake process. Both historical and contemporary data are available for review. Current and historical data will be compared to determine discrepancies.

Simulation of individual and case actions will also be supported, allowing the worker to automatically compare and display the advantage of one particular change over another (e.g., using the Standard Utility Allowance versus actual utility expense).

LEADER will be designed to support both prospective and retrospective budgeting and automatically determine the budgeting method based upon case and individual circumstances.

- ***Benefit Issuance.*** A benefit issuance module will be an integrated part of the proposed LEADER system. It will provide for the issuance of cash payments and an interface with the LA FAIR, GOLD, and MEDS systems for the issuance of food stamps, GR/Adult Refugee cash benefits, and Medi-Cal cards. LEADER will issue AFDC/RRP benefits centrally and permit emergency issuance in the District Offices.

LEADER will provide a complete benefit issuance history, updated after the applicable issuance and reconciliation information is available.

LEADER will be designed to conform to the SAWS requirements for Medi-Cal card production and for transfer of data to MEDS on a daily basis. An interface with the State MEDS system will be provided for reconciliations.

A benefit reconciliation module is also planned as part of the LEADER system. This module will match the Auditor-Controller's redeemed and canceled warrants file and the GOLD and LA FAIR transacted benefits files with the LEADER benefit issuance history.

Benefits will be held, canceled, redirected, and reissued on-line through LEADER. If the State's planned central benefit issuance process becomes operational, LEADER will be able to support that process.

- ***Notices.*** LEADER will be designed to automatically identify case actions that require a notice of action. Notices will be printed in the specific language indicated in the case record, if that language is supported by the system. The default language is English.

Notices will be formatted and printed overnight in a batch mode. Production of on-line notices will be supported, such as appointment notices, verification checklists, and notices of action. Adverse notices of action will meet timeliness requirements.

A Notice History feature is to be included in LEADER. This feature will allow the viewing and reprinting of any notice.

EWs will have the ability to add free-form text to the notices of action as permitted by state and federal regulations. Notices may also be overridden or suppressed by the EW with authorization by the eligibility supervisor.

Many notices are not currently automatically generated by the batch oriented systems that support the PA programs. Most are generated manually by the direct service worker and system generated notices are mailed by the Auditor/Controller's office with the Treasurer-Tax Collector's Office acting as a back-up mailing facility.

- ***Claims System.*** LEADER will identify, calculate, and track the recovery of overpayments and overissuances. If a prior month underpayment/issuance is discovered, the system will automatically offset it against any outstanding overpayment/issuance and issue any remaining supplemental benefit.

LEADER will determine if a potential overpayment/overissuance or underpayment/underissuance exists whenever new or changed information is entered by automatically rerunning case eligibility. If an overpayment/overissuance exists, the type of error (administrative, inadvertent household error, potential intentional program violation) is determined. Automatic generation of a demand letter will be supported by the system and default will be to the recoupment process. Cash, coupons and offsets collection methods will also be supported. LEADER will track the repayment/recoupment collections received and maintain a record of the claim amount, recovered amount, and the outstanding balance. The repayment/recoupment process may be suspended at any time by entering the appropriate status and reason codes.

Referrals to the Welfare Fraud Prevention and Investigation Unit and the Treasurer-Tax Collector will also be supported.

- ***Computer Matching.*** The proposed LEADER system will perform federally mandated computer matches with IEVS, Social Security Administration (SSA), Beneficiary Data Exchange (BENDEX) and State Data Exchange (SDX), and wage data matches.

When a response is received by the agency, the system will compare it to previous responses and tolerance criteria to determine if there is an actual discrepancy. When a nonduplicated, over-tolerance match response is received, the system updates the alert database with the response and sends an alert to the EW. The EW views the response on-line and takes any necessary action to resolve the discrepancy. Following a review of the case, the EW records the match disposition and LEADER will calculate any associated savings. The EW also updates the case information using the case change function.

LEADER will also produce the federally required IEVS statistics, including compliance review tracking, cost/benefit analysis, and social security number (SSN) validation reports.



IEVS matching is currently performed by the State through a batch interface. Paper reports are generated with a control copy at the District Office and one at the Central Office. Discrepancies are shown as long as the same situation exists. Workers may not delete discrepancy items. Tracking of match resolutions is currently performed by the Central Collection Unit and is primarily a paper based system with manual reviews.

- **Alerts.** LEADER will support an on-line alert function to notify workers of actions required by Federal and State regulation and county policy. The case action alert will be displayed to the EW on the day before the action becomes due and again on the due date itself. The EW may then input revised data, revise the due date, and confirm the action to be taken by the system. If the EW does not take the appropriate case action, the system will, on the working day immediately following the due date, display the discrepancy to the EW's supervisor.

Requests for verifications will be generated by the system, which will also monitor their return. If the client fails to respond to the request within the specified timeframe, the system will initiate the appropriate negative case action and issue a notice of noncompliance. Processing a returned document will automatically clear the alert.

EWs will have the ability to set some alerts. The exact format and duration of these alerts will be office specific. These worker action alerts will be shown to the EW each time the case is accessed.

An end-of-month batch report will also be provided.

- **Monthly Reporting.** LEADER will include a periodic reporting module that will provide automated support for monthly reporting. The system will identify which families are required to report and produce and mail the forms.

When the forms are returned to the District Office, EWs review them for completeness and any necessary action.

Incomplete forms will be mailed back to the client by the EW. The system will then generate a notice of action at the District Office. The notice of action will be included with the incomplete report. If the missing information is not provided, the benefits will be suspended, allowing 10 days advance notice before termination.

Adverse notices are automatically sent for non-receipt or incomplete forms. The system will display the status of the monthly reporting form for each subject case.

- **Report Generation.** The proposed LEADER system's management reporting module will produce hard copies of the financial and statistical reports required

by Federal and State regulations and county policy. Most reports are scheduled monthly. Los Angeles County will also provide for the downloading of report information to microcomputers for ad hoc reporting purposes.

- ***Program Management and Administration.*** The design for the proposed LEADER system includes a personnel management module to ensure that eligibility caseload assignments are balanced, meet departmental expectations, and comply with local union agreements. Various personnel and management profiles will be maintained within the system. These profiles will provide the basis for intake and ongoing caseload assignments.

LEADER will also have the ability to perform both on-line and batch appointment scheduling functions and permit both generic or program specific scheduling.

LEADER's alert function will permit a limited form of electronic mail capability, providing the ability to notify levels of staff of upcoming meetings, training, and other general information. Additional electronic mail features may be available through the network that supports the LEADER system.

LEADER will also support a case comment function that will maintain a narrative record of case activities. These comments may be entered as free-form text or coded comments from pre-defined tables. Case comments may not be altered nor deleted. The case comment function will be updated whenever the system, or a user, makes a change in the case record.

### **3.2 Level of Integration/Complexity**

The current systems that support the PA programs within Los Angeles County are batch oriented and mainly program specific. Eligibility determination is usually a manual process, with the automated systems having been developed over time to handle specific functions, such as issuance, claims, etc.

The proposed LEADER system design is that of an integrated eligibility determination and benefit calculation system capable of supporting most of the Federal, State, and local PA programs currently operated by the county.

From the design documents reviewed, it appears as if the LEADER system will provide a level of complexity and integration equal to the most modern PA systems currently in operation. It is based on the interactive interview model with significant automatic controls and evaluation of case activities and adds a comprehensive case weighting and personnel management component.

### **3.3 Workstation/Caseworker Ratio**

The documents reviewed by the project team while on-site, or later, did not specify the exact workstation to caseworker ratio intended once the system is implemented.

### **3.4 Current Automation Issues**

The LEADER project is awaiting Federal approval at this time. It is currently in the planning phase.

Whether the Federal agencies involved will be willing to fund the development of a separate automated system for Los Angeles County while the State's SAWS project is undergoing interim implementation is unknown and of great importance to Los Angeles County given the effort and funds invested to date. The major automation issue is to achieve Federal approval of the LEADER concept and to begin development activities as quickly as possible.

## **4.0 SYSTEM DEVELOPMENT AND IMPLEMENTATION**

This section of the report briefly describes the operations of FSP within Los Angeles County and the planned operations after the implementation of the LEADER system, and provides a description of the process and approach taken in the development and implementation phases.

### **4.1 Overview of the Current System**

The current systems supporting public assistance programs within Los Angeles County include:

- IBPS - a benefit authorization and issuance system for FSP, AFDC, and AFDC-related Medi-Cal.
- LA FAIR - the FSP issuance system.
- MEDS - primarily a Medi-Cal issuance system.
- GOLD - the GR benefit issuance system (a component of L.A. fair).
- WISDOM - a clerical level application tracking system for FSP, AFDC, Medi-Cal, and General Assistance (GA).
- CDMS - the master file for the Medi-Cal-only and GA Programs.
- WCMIS - the client index for all program areas.
- GEARS - an automated reporting system for JOBS/GAIN.
- Central Database (CDB) - the State level client index for FSP, Medi-Cal, and AFDC.
- GREAT - a case tracking system for GR.

These systems have been developed over a period of time in response to specific needs of certain program areas. Most are batch oriented with paper outputs. All mainframe systems run on Unisys 2200/622ES hardware with two 2200 Unisys processors, over 16 million words of main memory, and 51 gigabytes of disk storage. Over 2,000 terminals and microcomputers operate on a countywide network of leased lines, microwave transmission, and dial backup.

The interfaces between various systems are extensively shared, usually in a batch mode, among several different systems depending upon programs supported and system purpose.

#### **4.2 Justification for the New System**

The Los Angeles County project staff indicated that the following areas were considered in their decision to develop the LEADER system:

- ***Age of Current Systems.*** The existing systems supporting the PA programs in Los Angeles County are over 10 years old, inflexible and obsolete, and no longer capable of serving as effective management tools.
- ***State System Development.*** Passage of California Senate Bill 1379 mandated implementation of a statewide system (SAWS) and requires that existing systems be extensively modified or replaced.
- ***Results of Alternatives Analysis.*** An alternatives analysis was conducted that concluded that the transfer and modification of an existing system would be the most cost effective solution to the problems of the existing systems. The new system would be designed to be flexible and responsive to change, thus guaranteeing a long-term, useful life cycle.
- ***Problems Identified with the Existing Systems.*** Los Angeles County personnel identified several deficiencies of the current systems that contribute to the current error rate and place an unnecessary administrative burden on the eligibility, clerical, and program staff administering the various PA programs.

These systems are characterized as "multiple tape-driven, batch update systems" that "rely on the extensive use of paper." Schedules are based upon system concerns rather than user needs. There is clerical duplication of effort, ineffective communication between systems, and an inability to track recipients across programs.

#### **4.3 Development and Implementation Activities**

A revised consultant request for proposals (RFP) was completed in January 1992 and approved by State and Federal agencies in March 1992.

The RFP was released in April 1992 and negotiations with the selected vendor, Eligibility Management Systems (EMS), were completed by September 1992. County Board approval was obtained in October 1992, and State and Federal approval in February 1993.

The planning contractor began work in March 1993 and continues to assist Los Angeles County in its planning efforts as of this writing.

The Department of Health and Human Services (DHHS) granted approval to Los Angeles County to conduct a demonstration project (LEADER) in January 1992 under Section 1115 of the Social Security Act. Approval of the waiver request entailed funding at a 90/10 ratio.

The initial feasibility study was completed and transmitted to CDSS on March 23, 1993.

The requirements analysis was completed and forwarded to the State on April 27, 1993.

The alternatives analysis was completed and forwarded to the State on June 18, 1993. LA County evaluated SAWS/Napa Automated Public Assistance System (NAPAS) but found that it did not provide a complete match on all requirements. The county's position is that no one system met the "unique business needs" of LA County better than any other and that no one system should be named as a solution. Vendors would still be permitted to propose a SAWS transfer under this approach.

The cost/benefit analysis was completed and approved by the county on April 16, 1993. CDSS requested a minimum of eight years of economic analysis, an estimate of LEADER's ongoing maintenance and operational costs, an estimate of LEADER's proposed benefits, and a detailed breakdown of current annual computer operations costs.

Development of the LEADER RFP/evaluation document has been completed; the document was in the possession of CDSS as of November 30, 1993.

#### **4.4 Conversion Approach**

The LEADER project conversion approach will be defined in the RFP.

#### **4.5 Project Management**

The LEADER project is based in the Bureau of Administrative Services in the county's DPSS. The basic structure of the proposed full Project Team entails a project manager, a deputy project manager, several functional technical and track managers, an implementation manager, a conversion manager, an acceptance test manager, various analysts, and testing and training personnel. There will also be a database administrator and five clerical staff positions.

A total of 42 full-time staff will be assigned to the project when it is fully geared up at time of development/implementation. Policy and planning staff from all program areas and line operations (user) staff will also participate for limited amounts of time during different phases of the project.

The project staff is currently in a scaled-down staffing mode with less than a third of the total planned complement committed to the planning phase.

#### **4.6 FSP Participation**

FSP and other PA program staff were involved in the initial planning and feasibility/requirements tasks. Program specific knowledge will be maintained within the project team during the life of the project, either through functional track leaders or program staff who will be assigned to specific tasks during the development and implementation phases.

#### **4.7 MIS Participation**

Close coordination is maintained with the Computer Services Division of DPSS and county level data processing operations staff.

#### **4.8 Problems Encountered During Development and Implementation**

During the early phases of the planning effort, problems were experienced in obtaining State and Federal approval of various documents and requests. Delays associated with those problems, and with organizational priorities, have contributed to delays in the overall project plan.

### **5.0 TRANSFERABILITY**

Los Angeles County intends to gain permission to transfer, modify, and implement a modern, integrated PA system. The County is still in the planning phase and has not yet received State or Federal permission to advance to the next step of publishing an RFP for the transfer system vendor.

### **6.0 SYSTEMS OPERATIONS**

The following section describes IBPS. The description includes a profile of system components and a discussion of the system operating environment.

#### **6.1 System Profile (Current System)**

- **Mainframe:** Unisys 2200/622ES  
OS1100 operating system, MAPPER, COBOL,  
DMS 1100 database system
- **Disk:** Unisys M97XX (60) and 5057 (12)
- **Tape:** Unisys U36/2 (32)
- **Printers:** Unknown
- **Front Ends:** Unisys DCP 40 (3) and 50 (1)

- **Workstations:** Unisys terminals and PCs (2,000)
- **Telecommunications:** 98 9.6 KB circuits

## **6.2 Description of Operating Environment**

The operating environment consists of several components. This section describes these components, which include the current operating environment, maintenance, and telecommunications.

### **6.2.1 Operating Environment**

Los Angeles County's DPSS provides the policy and systems support for the current IBPS. Since the county represents about 40 percent of the total California caseload, it is fairly independent from the rest of the State in setting a data processing direction. BAS houses both the Computer Services Division supporting IBPS and the LEADER project which will provide the IBPS replacement system over the next two to four years.

Due to the short lead time (Los Angeles County was notified of the December 6, 1993 site visit by the State SAWS Branch on November 22, 1993), most of the available information was provided by the LEADER project team. There was not enough time to get approval for visits to the other DPSS bureaus to gather the normal data for the study's data collection instruments.

### **6.2.2 County Operations and Maintenance**

The L.A. County data center uses a Unisys 2200/622ES system to process IBPS. This is an outdated, batch processing system with no inquiry capability. No information was available from the LEADER project team regarding operating hours, staffing, and major software products.

### **6.2.3 Telecommunications**

Los Angeles County currently has 98 data circuits supporting the 33 district offices. The circuits use Unisys protocol and are predominantly 9.6 KB. A few of the circuits are 4.8 or 19.2 KB depending on the office volume. Future interactions with the SAWS network will be dealt with as required at a later date.

### **6.2.4 System Performance**

There were no system performance data requested.

### **6.2.5 System Response**

There were no response times requested.

### **6.2.6 System Downtime**

There were no system reliability data requested.

### **6.2.7 Current Activities and Future Plans**

All future plans will be created after review and award of a contract.

## **7.0 COST AND COST ALLOCATION**

This section addresses the LEADER system planning costs, Food and Nutrition Service (FNS) funding approval of those costs, and the approved methodology for allocating planning costs among PA programs to be supported by the LEADER system. All budgeted development costs maintained in the IAPD were withheld by Los Angeles County to avoid any breach of confidentiality. The cost allocation plan proposed for allocating LEADER system development costs among Federal funding agencies was withheld for similar reasons.

### **7.1 LEADER System Planning Costs and Federal Funding**

LEADER system planning costs incurred since November 1991 total \$1.01 million. The FNS share was \$402,285 or 39.9 percent.<sup>16</sup> The original PAPD was submitted in mid-1989. A March 1990 revised PAPD was submitted for Federal review to address shortcomings in the original PAPD cited by both the Department of Health and Human Services (DHHS) and FNS. FNS approved the revised PAPD in October 1990, a planning budget of \$1.68 million, and a 39.13 percent share, or \$658,904, to be funded at a Federal financial participation (FFP) rate of 50 percent, or \$329,452.<sup>17</sup> The proposed planning phase was to continue for 22 months.

A PAPD Update with an increased budget of \$1.8 million was submitted for Federal review in September 1992. The planning period was held to 22 months. In January 1993, FNS approved the increased planning budget and a share of 39.9 percent, or \$728,042.

The most recent update to the PAPD was submitted for Federal approval in September 1993. The \$3.6 million budget presented in this update is more than double that approved for the September 1992 PAPD. The increase is largely attributed to unplanned staff costs incurred because:

- State and Federal approval of the LEADER Consultant and Monitoring Services required more than five months.

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<sup>16</sup> Letter, 2/24/93.

<sup>17</sup> Letter, 10/3/90.



- Additional State requirements extended the LEADER system RFP and IAPD review period.
- The LEADER system development RFP was delayed to accommodate additional State requirements.
- Changes were recommended regarding the role of the LEADER Consultant and Monitoring Services contractor.

County and contractor personnel costs account for almost 95 percent of the revised \$3.6 million LEADER system planning budget:

- More than 27.5 percent is earmarked for contractor support.
- County personnel account for more than 67.1 percent.
- County data processing personnel, hardware, software, and miscellaneous office expense account for 2 percent.

The component cost detail of the revised LEADER system planning budget is as follows:

- **Hardware.** The total hardware budget for the planning period is \$26,000. The budget for hardware and software accounts for less than one percent of the planning budget.
- **Contractor.** EMS was awarded a \$3.1 million planning and monitoring services contract in March 1, 1993. Less than one third of the contract amount, or \$1 million, is earmarked for planning efforts. Of this amount, \$340,450 was allocated to deliverables. The remaining \$658,000 was for 4,800 as-needed consulting service hours at \$137 per hour. The remaining \$2.1 million is earmarked for monitoring support during the development and implementation phase of the project.
- **Personnel.** Personnel costs are estimated to be \$2.57 million. County welfare department (CWD) personnel and contractor costs account for almost 95 percent of personnel costs. The remaining 5 percent is budgeted for personnel from the county data processing department.

The September 1993 PAPD extends the planning phase an additional 16 months, to 38 months. The planning phase is scheduled to end in February 1995. FNS has not yet approved the September 1993 PAPD.

## 7.2 LEADER System Operational Costs

Since the LEADER system is not operational at this time, operational costs are not available.

### 7.3 Los Angeles County Cost Allocation Methodologies

The September 1993 PAPD allocates LEADER system planning costs among the PA programs to be supported by the LEADER system based on average duplicated PA case count for 1991 for Los Angeles County. The proposed allocation percentages for each agency are presented in Table 7.1, LEADER System Planning Costs Allocation. The table also shows the dollar share of the \$3.6 million allocated to each program and the requested FFP rate for each program.

**Table 7.1 LEADER System Planning Costs Allocation**

PROGRAM	ALLOCATION %	PROGRAM SHARE	FFP %	FFP AMOUNT
AFDC	30.53%	1,105,843	90%	\$995,259
FSP	41.53%	1,504,280	63%	\$947,696
Medi-Cal	20.39%	738,557	50%	\$369,279
GR	7.55%	273,473	N/A	0
TOTAL	100%	\$3,622,153	-	\$2,312,234

The mechanics used by Los Angeles County to assign LEADER system costs to cost pools for subsequent allocation to the public assistance programs are described in the *State Automation System Study, California State Report*, Section 7.3, California Cost Allocation Methodologies.